

## **Meat Situation in the European Union in 2002**

### **USDA Consolidates EU Meat Production, Supply, and Demand Tables**

Beginning with this publication, USDA will consider the EU as a single entity and track production, supply, and demand for livestock, poultry, and meats at the EU level, rather than at the member state level as was done previously. This will allow USDA to present a more unified picture of the issues facing the entire EU-15. It also represents the reality that the countries within the EU are operating as a single trading entity. As a result, individual member state production, supply, and demand data have been discontinued from 2000 forward for beef and pork, and from 1997 forward for poultry.

### **EU Meat Situation Expected to Begin Recovering from BSE and FMD in 2002**

For the EU in 2002, the consequences of BSE and FMD outbreaks will likely begin to diminish. It is expected that consumer confidence, in regards to beef, will begin to recover. Total meat production is forecast to increase 2 percent in 2002. As the EU regains markets lost in the past year, total meat exports are forecast to increase 9 percent to 3 million tons. Imports are forecast to increase 10 percent to 855,000 tons due mainly to recovering consumption and the double zero agreements granted to Eastern European countries. Import growth will primarily be in beef and poultry.

Beef exports are forecast to rebound from low 2001 volumes by 25 percent in 2002 to 600,000 tons, as important markets such as Egypt are beginning to reopen after being closed due to BSE and FMD concerns. Beef production is forecast to increase 1 percent to 6.9 million tons based on recovering demand. Beef consumption is also expected to recover by 7 percent in 2002 to 6.9 million tons as consumers slowly return to beef and prices stabilize. Imports of beef will rise by 10 percent to 440,000 tons based on increased consumption and the resumption of imports from traditional suppliers in South America that were suspended due to FMD outbreaks. Increased trade is forecast to decrease total EU ending stocks by 17 percent to 625,000 tons, but an accelerated reduction is unlikely as sales out of intervention may not begin until 2002.

Pork exports for 2002 are projected to reach 1.32 million tons, up 8 percent from the previous year as the EU recovers from temporary FMD bans and the negative effect of Japan's safeguard measures. The Japanese safeguard is in effect until March 31, 2002, but Danish suppliers are trying to ship more expensive cuts of pork to cushion the impact of the increased duties. Also, export prospects to Eastern European countries and Russia are expected to improve from a year ago. Pork production is forecast to increase 2 percent to 17.8 million tons, but below the record of 1999. A larger pig crop due to higher prices will push pork production upwards. Pork imports are forecast to move slightly higher to 65,000 tons due to larger import quotas that were granted to Eastern European countries with the conclusion of double-zero agreements. EU imports of pork products, mainly for processing, almost exclusively originate from Eastern Europe, particularly Hungary.

Poultry exports are forecast to increase 3 percent to slightly more than 1 million tons in 2002. Exports in 2001 dropped as a significant part of production was consumed domestically due to food safety concerns of BSE and FMD. Poultry production is expected to increase again in 2002 by 3 percent; however, it is anticipated that the rate of increase will begin to slow as consumers resume purchasing beef and pork products. Poultry imports will also increase due to the double zero agreements with Eastern Europe and continued growth in Brazil and Thailand, the predominant suppliers.

		Production	Exports	Consumption	Imports	Ending g Stocksss
Beef	2000	7,462	643	7,300	448	367
	2001	6,896	480	6,433	400	750
	2002	6,932	600	6,897	440	625
Pork	2000	17,585	1,470	16,168	54	737
	2001	17,419	1,220	16,299	60	697
	2002	17,800	1,320	16,542	65	700
Poultry	2000	8,394	1,032	7,669	307	0
	2001	8,599	1,018	7,898	317	0
	2002	8,850	1,050	8,150	350	0
Total	2000	33,441	3,145	31,137	809	1,104
	2001	32,914	2,768	30,580	777	1,447
	2002	33,582	3,020	31,539	855	1,325

All data in thousand metric tons